

UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

United States of America
v.

DERRICK THOMPSON

Case No. Case: 2:23-mj-30136
Assigned To : Unassigned
Assign. Date : 4/4/2023
USA V. SEALED MATTER (CMP)(CMC)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of April 21, 2020 and July 2, 2021 in the county of Wayne in the
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1341	MAIL FRAUD
18 U.S.C. § 1343	WIRE FRAUD
18 U.S.C. § 1028A	AGGRAVATED IDENTITY THEFT

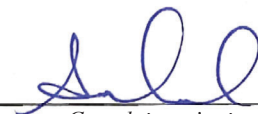
This criminal complaint is based on these facts:
SEE ATTACHED AFFIDAVIT

☒ Continued on the attached sheet.

Sworn to before me and signed in my presence
and/or by reliable electronic means.

Date: April 3, 2023

City and state: Detroit, Michigan



Complainant's signature

Miguel Colon, Special Agent, DOL-OIG

Printed name and title



Judge's signature

Hon. Kimberly Altman, United States Magistrate Judge

Printed name and title

AFFIDAVIT IN SUPPORT OF A COMPLAINT

I, Miguel A. Colon, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent of the U.S. Department of Labor, Office of Inspector General, Office of Investigations - Labor Racketeering and Fraud (“DOL-OIG/OI-LRF”) and have been since December 2017. I am currently assigned to the Federal Bureau of Investigation (“FBI”) Violent Gang Task Force (“VGTF”), where I participate in investigations of street gangs committing various violations of federal law, including weapons and narcotics trafficking, violent crimes, and fraud. Prior to my current assignment, I was assigned to the Homeland Security Investigations’ Document and Benefit Fraud Task Force, where I investigated criminal activity including, but not limited to, identity theft, money laundering, visa fraud and other financial fraud. I have conducted numerous investigations involving identity theft, labor, financial and unemployment insurance fraud schemes. In addition to my experience, I have also received significant law enforcement

training, including graduating from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center.

2. As a Special Agent, I have conducted numerous investigations into criminal violations of both Title 29 and Title 18 of the United States Code. During this time, I have been either the lead agent or supporting agent on several investigations involving criminal schemes targeting the unemployment insurance (“UI”) program through the filing of false or fictitious UI claims. Based on my direct personal experience with these cases, I have become familiar with the methods that criminals use to attack and exploit the UI systems as well as the criminals’ reliance on the use of email and other internet or online tools and systems to facilitate that fraud.

3. Probable cause exists that **Derrick Thompson** (DOB: XX-XX-2001) has engaged in an unemployment insurance fraud scheme and has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A). His scheme involves the filing of fraudulent UI claims through the internet, with some of those claims using misappropriated personal identifying information (“PII”) of real persons, and the withdrawal of fraudulently

obtained UI funds at ATMs in the Eastern District of Michigan, often using UI debit cards that were sent through the mail.

4. I make this affidavit based upon personal involvement in the subject criminal investigation, including review of: financial, employment, internet service provider, utility and property records; records from relevant state agencies regarding UI claims; law enforcement surveillances; and information and evidence from search warrants in this investigation. I have also been provided with information from other law enforcement agents and officials, including agents and officials from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and various State Workforce Agencies. This affidavit does not contain all the facts developed to date in the underlying investigation and is being submitted for the limited purpose of establishing probable cause to secure a criminal complaint and arrest warrant.

UNEMPLOYMENT INSURANCE BACKGROUND

5. The Social Security Act of 1935 initiated the federal and state Unemployment Insurance system. The system provides benefits to individuals who are unemployed for reasons beyond their control.

The purpose of the Unemployment Insurance system is twofold: first, to lessen the effects of unemployment through cash payments made directly to laid-off workers, and second, to ensure that life necessities are met on a weekly basis while the worker seeks employment. The U.S. Department of Labor funds many Unemployment Insurance Agency administrative costs, including salaries, office expenses, and computer equipment. The various state unemployment insurance agencies responsible for administering the UI programs are commonly referred to as State Workforce Agencies (“SWA”).

6. State unemployment systems and benefits are joint state and federal enterprises largely financed by taxes on private employers located in that state. In 2020 and 2021, the federal government provided significant supplemental benefits to the states as a result of the COVID-19 pandemic. Beginning in or about March 2020 and continuing through September 4, 2021, the Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; and the American Rescue Plan Act of 2021 created federal programs that allowed for the significant outlay of federal funds flowing to and through the states to offset the historic need for unemployment

benefits by the American workforce, including in the states of Arizona, California, Michigan, Pennsylvania, Maine, Kansas, Tennessee, New York and the US Territory of Guam. Collectively, these benefits are often referred to as Pandemic Unemployment Assistance (“PUA”).

7. Normally (in the absence of fraud), an unemployed worker initiates an Unemployment Insurance claim. This can be accomplished by submitting a claim in person, over the telephone, or via the Internet. Currently, most Unemployment Insurance claims in Arizona, California, Michigan, Pennsylvania, Maine, Kansas, Tennessee, New York and the US Territory of Guam are filed online via the Internet through the states’ UI portal. When a claimant using an internet protocol (“IP”) address registered in Michigan files a claim with an out-of-state UI agency, the servers used to process those claims are located outside the state of Michigan. For example, an Arizona or California UI claim filed from an IP address registered to a Michigan residence will be processed through a server located outside of the state of Michigan.

8. To be eligible for Unemployment Insurance benefits, the worker must demonstrate a certain level of earnings in several quarters immediately preceding the application. The amount of

benefits that an Unemployment Insurance claimant might be eligible for depends on a variety of factors, including but not limited to the length of his or her previous employment and the amount of wages he or she earned.

9. The State Workforce Agency will either approve or reject an Unemployment Insurance claim based on the application made by the unemployed worker. If the respective SWA approves an Unemployment Insurance claim, the claimant is required to re-certify the claim via telephone or Internet at various times during the life of the claim. The worker must also certify that he or she is still unemployed and actively seeking work. One way in which unemployment benefits are provided to a claimant is with a UI debit card, issued by the financial institution contracted by the respective state, which is mailed to the claimant through the U.S. Postal Service.

10. Alternatively, a claimant can provide the state Unemployment Insurance Agency with a bank routing number and bank account number so his or her Unemployment Insurance benefits can be transferred via electronic funds transfers (“EFTs”) into his or her bank account. All EFTs of Unemployment Insurance benefits to

Arizona, California, Michigan, Pennsylvania, Maine, Kansas, Tennessee, New York and the US Territory of Guam Unemployment Insurance claimants, involve the transmission of electronic signals through the various SWA and financial institution data servers. For example, all EFTs of Unemployment Insurance benefits to Michigan, California or Arizona Unemployment Insurance claimants, whether via a Bank of America (BOA)-provided debit card or via a claimant-provided bank account, involve the transmission of electronic signals through one of BOA's two data centers, which are located in Virginia and Colorado, and from those data centers to banks and/or ATMs located, for example, in Michigan. In addition, any other state that disperses Unemployment Insurance benefits using BOA prepaid debit cards, including Arizona and California, also involve the transmission of electronic signals through the aforementioned BOA data centers. These are interstate wire communications.

PROBABLE CAUSE

11. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Department of Labor – Office of Inspector General have been investigating criminal activity conducted by members and associates of

the Detroit street gang, “Omerta Boyz.” As part of that investigation, I identified Omerta Boyz members, associates, and others who appeared to be engaged in unemployment insurance fraud schemes.

12. I am investigating a UI fraud ring that has been defrauding multiple states of hundreds of thousands of federal dollars earmarked for Pandemic Unemployment Assistance (“PUA”). During the investigation, I determined that an address associated with **Derrick THOMPSON**, XXX81 Rosemary St., Detroit, MI, was listed as the mailing address on at least 23 suspected fraudulent UI claims between April 21, 2020 and July 2, 2021 in the states of Arizona, California, Florida, Michigan, Montana, and Pennsylvania.

13. I also identified an IP address, 68.43.121.68 (hereinafter “IP 68”) which was associated with 14 of the 23 UI claims which listed XXX81 Rosemary St., Detroit, MI, as the claimant address. An open source database search of IP 68 revealed that it is registered to Comcast Communications. In addition, the geolocation data revealed that it is associated with the Detroit area. In my training and experience in other fraud investigations, IP 68 is likely a unique IP address for a specific Comcast Cable Internet customer residence. A follow-on DOL-OIG

query of IP 68 revealed that it was responsible for submitting approximately 69 UI claims in 54 unique individuals' names and Social Security Numbers ("SSNs") in Arizona, California, Michigan, Pennsylvania, Florida, Montana, Maine, Kansas, Tennessee, New York and the Territory of Guam. I know from my training and my experience in other UI fraud investigations that a large volume of claims from a single IP address with numerous unique individuals' names and SSNs is indicative of fraudulent UI claims. Based on my experience in other UI fraud investigations, the number of UI claims and the number of unique individuals' names and SSNs listed in those claims, all associated with this single IP address, IP 68, constitutes a large volume of claims and unique individuals' names and SSNs, which provides reason to believe the IP address was used to submit, access and/or modify fraudulent UI claims. Of those approximately 69 claims, to date I have identified that at least 23 of them are associated with THOMPSON and a close associate of THOMPSON. The remaining claims continue to be investigated, but are also suspected to be linked to THOMPSON and/or his associates and co-conspirators. To date,

approximately \$482,071 in UI benefits has been disbursed on claims connected to IP 68.

14. Based on my training and experience, I know that the filing of UI claims with repeated use of email addresses, identities, bank accounts and associated with a single IP and/or residential address are strong indicators of identity theft, wire fraud, mail fraud and unemployment insurance fraud. Figure 1 below illustrates a sample of the UI claims associated XXX81 Rosemary St. and IP 68, and the repeated values and indicators of fraud.

Figure 1

Claim State	Claimant (Redacted)	Claim Date	Claimant Bank Account (Redacted)	IP Address	Claimant Address (Redacted)
CA	B___, E___	7/2/2021			XXX81 ROSEMARY ST, DETROIT, MI
CA	T___, K___	6/25/2021			XXX81 ROSEMARY ST, DETROIT, MI
AZ	W___, M___	7/24/2020		68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	W___, M___	5/5/2020	XXXXXXXXXX4417	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	K___, D___	5/10/2020	XXXXXXXXXX2884	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI

MI	DERRICK, THOMPSON	4/27/2020	XXXXXXXXXX2884	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	T___, K___	4/30/2020	XXXXXXXXXX2884	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	W___, H___	5/5/2020	XXXXXXXXXX5383	68.36.71.76	XXX81 ROSEMARY ST, DETROIT, MI
MI	R___, S___	4/24/2020	XXXXXXXXXX4521	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	D___, T___	4/21/2020	XXXXXXXXXX2871	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
PA	W___, M___	7/9/2020	XXXXXXXXXX4417	68.43.121.68	XXX81 ROSEMARY ST, DETROIT, MI
MI	W___, M___	5/10/2020	XXXXXXXXXX4417	68.43.121.68	XX05 PARK AVE, DETROIT, MI
MI	W___, M___	5/21/2020	XXXXXXXXXX4417	68.37.100.186	XX360 CAMDEN ST, DETROIT, MI
MI	W___, M___	5/21/2020	XXXXXXXXXX4417	68.36.71.76	XXX E GRAND BLVD, DETROIT, MI
MI	H___, A___	4/30/2020	XXXXXXXXXX2871	68.43.121.68	XX41 E MCNICHOLS RD, DETROIT, MI
GU	W___, R___	10/2/2020	XXXXXXXXXX3085	68.43.121.68	XX28 N MARINE CORPS DR, TAMUNING, GU
MI	W___, R___	5/11/2020	XXXXXXXXXX3085	68.43.121.68	XX624 CARLISLE ST, DETROIT, MI
MI	W___, R___	5/4/2020	XXXXXXXXXX3085	68.43.121.68	XX624 CARLISLE ST, DETROIT, MI
MI	B___, E___	5/20/2020	XXXXXXXXXX0811	68.43.121.68	XX714 KELLY RD, DETROIT, MI
MI	E___, B___	5/6/2020	XXXXXXXXXX0811	68.43.121.68	XX714 KELLY RD, DETROIT, MI
MI	E___, B___	5/21/2020	XXXXXXXXXX0811	68.37.100.186	XX75 QUINN ST, DETROIT, MI

Derrick THOMPSON's Connection to XXX81 Rosemary St.

15. On December 6, 2022, I reviewed a Law Enforcement Information Network (LEIN) query which revealed DERRICK THOMPSON JR provided XXX81 Rosemary St., Detroit, MI, as his address when obtaining his Michigan Driver's License.

16. On December 6, 2022, I reviewed a LEIN, Michigan Motor Vehicle Registration which revealed a Dodge Charger, bearing MI license plate DLM559, registered to DERRICK THOMPSON JR, at XXX81 Rosemary St., was abandoned on or about March 8, 2022.

17. On November 11, 2022, at approximately 12:00 PM, Detroit Police Department, Gang Intelligence Officers, conducted surveillance in the area of 135XX Michigan Avenue and Schaefer Road, Dearborn, Michigan. Officers observed a suspected associate and conspirator of THOMPSON exit 43XX Schaefer, Dearborn, Michigan and enter a 2015 white Mercedes Benz, bearing MI license plate EPH9009. Officers observed the vehicle depart the location, driving at a high rate of speed and driving through a red light. Officer observed the vehicle pull in the driveway of XXX81 Rosemary, Detroit, Michigan. Officers conducted a traffic stop on the abovementioned vehicle and advised him of his

traffic violation and previous tickets. While at the residence, officers observed DERRICK THOMPSON Jr. exit the front door of XXX81 Rosemary St. and yell expletives at the officers.

December 2022 Search of XXX81 Rosemary St.

18. On December 13, 2022, agents executed a federal search warrant at XXX81 Rosemary St., Detroit, Michigan (“THOMPSON’s residence”). THOMPSON was present at the time of the search.

19. During the search, agents seized THOMPSON’s cell phone, which THOMPSON provided agents consent to search. The search uncovered additional evidence (some of which is described below) of his involvement in perpetrating UI fraud.

Unemployment Insurance Claims Linked to THOMPSON

20. On April 27, 2020, a Michigan UI claim was filed in the name Derrick **THOMPSON**, using IP 68. The address listed by the claimant was THOMPSON’s residence. The account listed by the claimant for the disbursement of UI benefits was BOA account ending X-2884. A DOL-OIG query of BOA account ending X-2884 revealed that this account was used in two additional UI claims filed from IP 68, which also listed THOMPSON’s residence as the claimant address. Assuming

THOMPSON otherwise qualified for the benefits, there is not currently evidence that suggests this particular claim was fraudulent. However, THOMPSON filed this potentially legitimate claim using the same information and IP address as many fraudulent transactions, as detailed below.

UI Claim in J.H.'s Name

21. On July 20, 2020, a California UI claim was filed in the name of J.H., whose full identity is known to agents but withheld for privacy, using IP 68. A law enforcement database revealed that J.H. was a resident of Indiana, not California nor Michigan.

22. On or around July 23, 2021, a BOA UI debit card ending in 2197 in J.H.'s name was mailed, via USPS, to an address in Detroit, MI. On July 23, 2020, \$13,608 was deposited into the debit account, established by the California EDD, in J.H.'s name.

23. On March 14, 2023, I interviewed J.H., who stated s/he was a victim of identity theft. J.H. stated s/he did not file a UI claim in California, had not received any UI benefits, and did not give permission to anyone to file a UI claim on his/her behalf.

24. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up J.H.'s name on August 4, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance footage, I have concluded that the individual in the ATM surveillance footage is **THOMPSON**. The image below shows **THOMPSON** making the withdrawal on August 4, 2020.



25. Probable cause exists that **THOMPSON** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in J.H.'s name, and his fraudulent use of a UI debit card in J.H.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan. The filing of the claim involved an interstate wire

transmission as it was filed via the internet with the California EDD, an agency located outside of Michigan. A UI debit card for that fraudulent claim was then mailed, via the U.S.P.S., to an address in the Eastern District of Michigan, which **THOMPSON** used in the Eastern District of Michigan to withdraw fraudulently obtained UI funds at an ATM, which in turn involved interstate wire transmissions with BOA servers located in Virginia or Colorado.

UI Claim in E.B.'s Name

26. On July 2, 2021, a California UI claim was filed in the name of E.B., whose full identity is known to agents but withheld for privacy. The address listed by the claimant for the mailing of a BOA UI debit card was THOMPSON's residence. A law enforcement database revealed that E.B. was a resident of Michigan, not California and had no associated with THOMPSON's residence.

27. On or around September 27, 2021, a BOA UI debit card ending in 2914 in E.B.'s name was mailed, via USPS, to THOMPSON's residence. On September 8, 2021, \$18,750 was deposited into the debit account, established by the California EDD, in E.B.'s name.

28. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up E.B.'s name on October 4, 2021, in the Eastern District of Michigan. Based on my review of the ATM surveillance footage, I have concluded that the individual in the ATM surveillance footage is **THOMPSON**. The image below shows **THOMPSON** making the withdrawal on October 4, 2021, and the adjacent photograph is a driver's license photo of Derrick **THOMPSON** used for comparison purposes.



29. Probable cause exists that **THOMPSON** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in E.B.'s name, and his fraudulent use of a UI debit card in E.B.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of

Michigan. The filing of the claim involved an interstate wire transmission as it was filed via the internet with the California EDD, an agency located outside of Michigan. A UI debit card for that fraudulent claim was then mailed, via the U.S.P.S., to an address in the Eastern District of Michigan, which **THOMPSON** used in the Eastern District of Michigan to withdraw fraudulently obtained UI funds at an ATM, which in turn involved interstate wire transmissions with BOA servers located in Virginia or Colorado.

UI Claim in P.A.'s Name

30. On July 15, 2022, a UI claim was filed in the name of P.A., whose full identity is known to agents but withheld for privacy, in the state of Massachusetts. The address listed by the claimant was a residence located directly adjacent to THOMPSON's residence. The claim was denied but on January 31, 2023, a claim summary letter was mailed, via U.S.P.S., by the Massachusetts Department of Unemployment Assistance to that address. A law enforcement database revealed that P.A. resided in Massachusetts but had no associated with that address.

31. A screenshot of P.A.'s July 15, 2022, Massachusetts UI claim was found on THOMPSON's cell phone seized on December 13, 2022 at THOMPSON's residence.

32. On March 14, 2023, I interviewed P.A., who stated s/he was a victim of identity theft. P.A. stated s/he did not file a UI claim in Massachusetts, had not received any UI benefits, and did not give permission to anyone to file a UI claim on his/her behalf.

33. Probable cause exists that **THOMPSON** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in P.A.'s name. The filing of the claim involved an interstate wire transmission as it was filed via the internet with the Massachusetts DUA, an agency located outside of Michigan.

UI Claim in P.M.'s Name

34. On July 18, 2022, a UI claim was filed in the name of P.M., whose full identity is known to agents but withheld for privacy, in the state of Massachusetts. The address listed by the claimant was 142XX Dolphin St., Detroit, MI. The claim was denied but on January 31, 2023, a claim summary letter was mailed, via U.S.P.S., by the Massachusetts Department of Unemployment Assistance to 142XX

Dolphin St. A law enforcement database revealed that P.M. resided in Massachusetts but had no associated with 142XX Dolphin St.

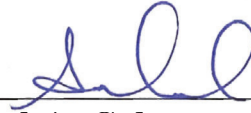
35. A screenshot of P.M.'s July 18, 2022, Massachusetts UI claim was found on THOMPSON's cell phone seized on December 13, 2022 at THOMPSON's residence.

36. Probable cause exists that **THOMPSON** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in P.M.'s name. The filing of the claim involved an interstate wire transmission as it was filed via the internet with the Massachusetts DUA, an agency located outside of Michigan.

CONCLUSION

37. Based on the forgoing, there is probable cause to believe that Derrick **THOMPSON** has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343) and aggravated identity theft (18 U.S.C. § 1028A) in connection with a scheme to defraud the federal/state unemployment insurance programs and obtain unemployment benefits by means of false and fraudulent pretenses and representations.

Respectfully submitted,



Miguel A. Colon
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me and signed in my presence
and/or by reliable electronic means.

Date: April 4, 2023



Hon. Kimberly Altman
United States Magistrate Judge